

PSJ18 WALGREENS Opp Exh 8

DEC 27 1988

[REDACTED]

Governmental and Public Affairs
Walgreen Company
200 Wilmet Road
Deerfield, Illinois 60015

Dear [REDACTED]:

Reference is made to our November 4, 1988 meeting regarding a proposed system of detecting and reporting excessive orders. The proposed Reporting System of Categorizing as well as the Seasonal Averaging alternative have been reviewed and either method would provide "triggers" or indicators of those transactions that deviate from a calculated standard. Both methods are based on an average monthly sales figure multiplied by an arbitrarily selected deviation factor which is one of the key elements in devising an effective reporting system.

The Drug Enforcement Administration supports the effort by the Walgreen Company to provide a uniform reporting procedure for its warehouses. An electronic data system may provide the means and mechanism for complying with the regulations, but the system is not complete until the data is carefully reviewed and monitored by the registrant. The submission of a monthly printout of after-the-fact sales does not relieve the registrant of the responsibility of reporting excessive or suspicious orders. These regulations require that a registrant maintain a system to detect excessive "orders" rather than sales of controlled substances.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,



Ronald W. Ruzzeo, Deputy Director
Office of Diversion Control